

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

The purpose of Australia's foreign and trade policy is to advance the interests of Australia and Australians internationally.

The foreign affairs and trade portfolio agencies support Ministers in the conduct of Australia's foreign and trade policy. Using a range of bilateral, regional and global strategies, the agencies contribute to international security, national economic and trade performance and global cooperation. They support Australian business by providing market access and promoting Australian exports and investment; they develop and promote domestic and international understanding of Australia's foreign and trade policy and a positive image of Australia internationally; they provide assistance to developing countries to improve economic performance and governance; they provide consular and passports services to Australians; and they manage efficiently the Commonwealth overseas owned property estate.

The portfolio consists of: the Department of Foreign Affairs and Trade (DFAT), the Australian Trade Commission (Austrade), the Australian Agency for International Development (AusAID), the Australian Centre for International Agricultural Research (ACIAR), the Australian Secret Intelligence Service (ASIS), the Export Finance and Insurance Corporation (EFIC) and the Australia-Japan Foundation (AJF).

Portfolio Priorities

In 2005-06, the portfolio will seek to maximise Australia's international standing and influence over regional and global developments in pursuit of the national interest. To this end it will build on linkages between Australia and key countries and groups of countries.

The portfolio will continue to work closely with other relevant Australian agencies and other countries to strengthen national and international security. Coordinating regional counter-terrorism initiatives will be a priority. The portfolio will continue to counter the proliferation of weapons of mass destruction, including by supporting stronger and more effectively implemented global non-proliferation and counter-proliferation architecture and by addressing non-compliance by some countries.

High priority will be given to consolidating and expanding Australia's extensive network of bilateral relationships including through dialogue, support for high-level visits and practical cooperation. Active engagement with Asia across the full range of our bilateral and regional interests will remain a key priority, as will ensuring access and influence with the US Administration. The portfolio will pursue greater engagement with the European Union in support of Australia's interests.

In the South Pacific, the portfolio will play a leading role in efforts to improve economic performance, stability and governance, particularly through the Regional

Portfolio Overview

Assistance Mission to Solomon Islands (RAMSI) and the Enhanced Cooperation Program with Papua New Guinea. The aid programme will play an important role in this, including through a new, multi-year commitment to RAMSI. Bilateral aid funding will increase for a number of Pacific Island countries, including Vanuatu and Fiji.

The portfolio will advance and defend Australia's interests on global issues, including by continuing to work in support of reform of the United Nations. It will contribute to the Government's efforts to combat people smuggling and trafficking, including through the Bali process, as well as other transnational crime. On climate change, the portfolio will liaise with other parts of government to advance practical bilateral and technology partnerships and will contribute to future international dialogue on the climate change agenda.

A number of significant initiatives will be implemented aimed at improving the security of Australia's network of overseas missions and ensuring the safety of the people who visit and work in them.

In 2005-06 the portfolio will work on further strengthening Australia's passports regime, including through the development of facial biometric identification technology, in order to provide Australians with more secure travel documentation, combat identity fraud and enhance border protection. It will continue to provide high-quality consular and passport services to Australians travelling and living overseas, including through its network of overseas posts and honorary consuls, the 24-hour Consular Emergency Centre, travel advisories, the smartraveller public awareness campaign and cooperative arrangements with other countries.

In advancing Australia's trade and investment interests, the portfolio will continue to seek improved access to overseas markets. A key priority in 2005-06 will be work in support of a successful completion to the Doha round of World Trade Organization (WTO) multilateral negotiations. The portfolio will work to ensure the effectiveness and influence of the Cairns Group of agricultural fair traders in securing an ambitious outcome on agriculture in the Doha round. It will also pursue Australia's interests in improved market access outcomes on services and industrial products. Using the WTO dispute settlement system, the portfolio will pursue and defend Australian trade and economic interests.

In parallel with its commitment to the Doha round, the portfolio will continue to pursue a limited number of well-chosen new free trade agreements, including with ASEAN and New Zealand, China, Malaysia and the United Arab Emirates.

The portfolio will also accord priority to assisting Australian business to take advantage of new opportunities created by free trade agreements concluded recently with the United States, Thailand and Singapore. In 2005-06, a network of 30 export facilitators will be appointed in the United States and Australia. A Free Trade Agreement Advisory Panel will also be appointed which will provide advice to the Minister for Trade on issues raised by bilateral trade arrangements. The Panel will

have members representing industry associations, Austrade, DFAT and the Department of Industry, Tourism and Resources. Export Hubs, located in city and regional locations, will be established to give one-stop access to Austrade and other sources of export advice and assistance.

Through Austrade, the portfolio will continue to provide other information and assistance to Australian exporters and investors. Austrade will partner with industry associations, regional development organisations and state and territory governments to continue delivery of the TradeStart program, which provides an increasing number of Australian businesses with access to the resources, advice and expertise to help them realise their export potential. Providing assistance to new and existing exporters seeking to establish new markets in other parts of the world will continue to be a priority for the portfolio. Austrade's New Exporter Development Programme will continue to offer a package of free services to potential exporters. The Export Market Development Grants scheme will continue providing financial support for Australian exporters to promote their products and services.

The portfolio will play an important role in continuing the revitalisation of the Asia-Pacific Economic Cooperation (APEC) forum and its work program in 2005-06, including through strengthening APEC architecture, the ongoing promotion of trade liberalisation and by encouraging reduced business transaction costs. The portfolio, in conjunction with other relevant agencies, will develop and implement a set of ambitious policy objectives and initiatives for Australia's year as host of APEC in 2007.

Through EFIC the portfolio will ensure Australian exporters and Australian companies investing in projects overseas have access to internationally competitive finance and insurance services. EFIC's mandate is to support the growth of Australian businesses internationally, particularly in the "market gap" where private sector capacity is insufficient or unavailable. EFIC will continue to provide a range of financial facilities for exporters of all sizes, including loans, guarantees, political risk insurance, medium-term payments insurance, working capital guarantees and advance payment and performance bonds. Product development will focus on improved facilities for small and medium enterprise exporters and meeting competition from export credit agencies in other OECD countries. The portfolio will continue to advise on, and manage, the use of the National Interest Account to provide support for transactions that are in the national interest and where private market or EFIC support is not available.

The aid programme will play a central role in an integrated, whole-of-government approach to addressing challenges to regional security and prosperity. Priorities for 2005-06 include strengthening governance, stimulating broad-based economic growth and addressing constraints to development, particularly those faced by fragile states. A White Paper setting out the Government's medium term strategic blueprint for Australia's aid programme is scheduled for release in 2005-06.

In East Asia, the aid programme will enhance regional capacity to address issues that impact on regional growth, in particular trade liberalisation and regional economic

Portfolio Overview

integration, and counter threats such as terrorism, HIV/AIDS, illegal drugs and Avian influenza. Australia's aid partnership with Indonesia will be expanded significantly, through the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD) and increases to the ongoing aid programme. This will assist with reconstruction efforts following the December 2004 tsunami and address longer term development issues. There will also be increased emphasis on regional approaches and regional cooperation.

Resources to combat the spread of HIV/AIDS will be increased through new international, regional and bilateral partnerships. The aid programme will also provide significant additional funding to respond to emergencies and humanitarian crises, and to assist reconstruction efforts in Iraq, Afghanistan and Sri Lanka. Additional resources will be targeted towards debt relief for the world's poorest countries through the World Bank's Heavily Indebted Poor Countries Initiative, and the aid programme will continue to engage with multilateral development banks, international organisations and other donors on key development issues in the region. Community involvement in delivery of the aid programme will also be strengthened, including through doubling the Australian Youth Ambassadors for Development Program.

Through ACIAR, the portfolio will continue to contribute to poverty reduction and sustainable development through international agricultural research. ACIAR's bilateral project funding in the South Pacific will increase with a focus on enhancing productivity in smallholder farming systems, including in Solomon Islands. ACIAR will administer a project in Afghanistan to continue rebuilding farming capacity and two small projects to help rebuild agricultural capacity in Iraq. Larger programmes will be undertaken in Cambodia and Indonesia, including increased investment to help in rebuilding areas of Indonesia devastated by the December 2004 tsunami.

The portfolio will focus its public diplomacy activities in the Asia-Pacific region in 2005-06, projecting a positive, accurate and contemporary image of Australia. It will consult the Australian community as appropriate in the formulation of policy, and seek to increase public awareness of foreign and trade policy, including the benefits of trade.

The AJF will encourage closer relationships between the people of Australia and one of our most important bilateral partners, Japan. In 2005-06 the Foundation will build on existing cooperation and programmes while forging opportunities in new areas, including the national launch at the World Expo in Aichi, Japan, of its first multi-media version of teaching materials for Japanese high schools, and expansion of its popular web-based presence.

Figure 1: Portfolio structure and outcomes

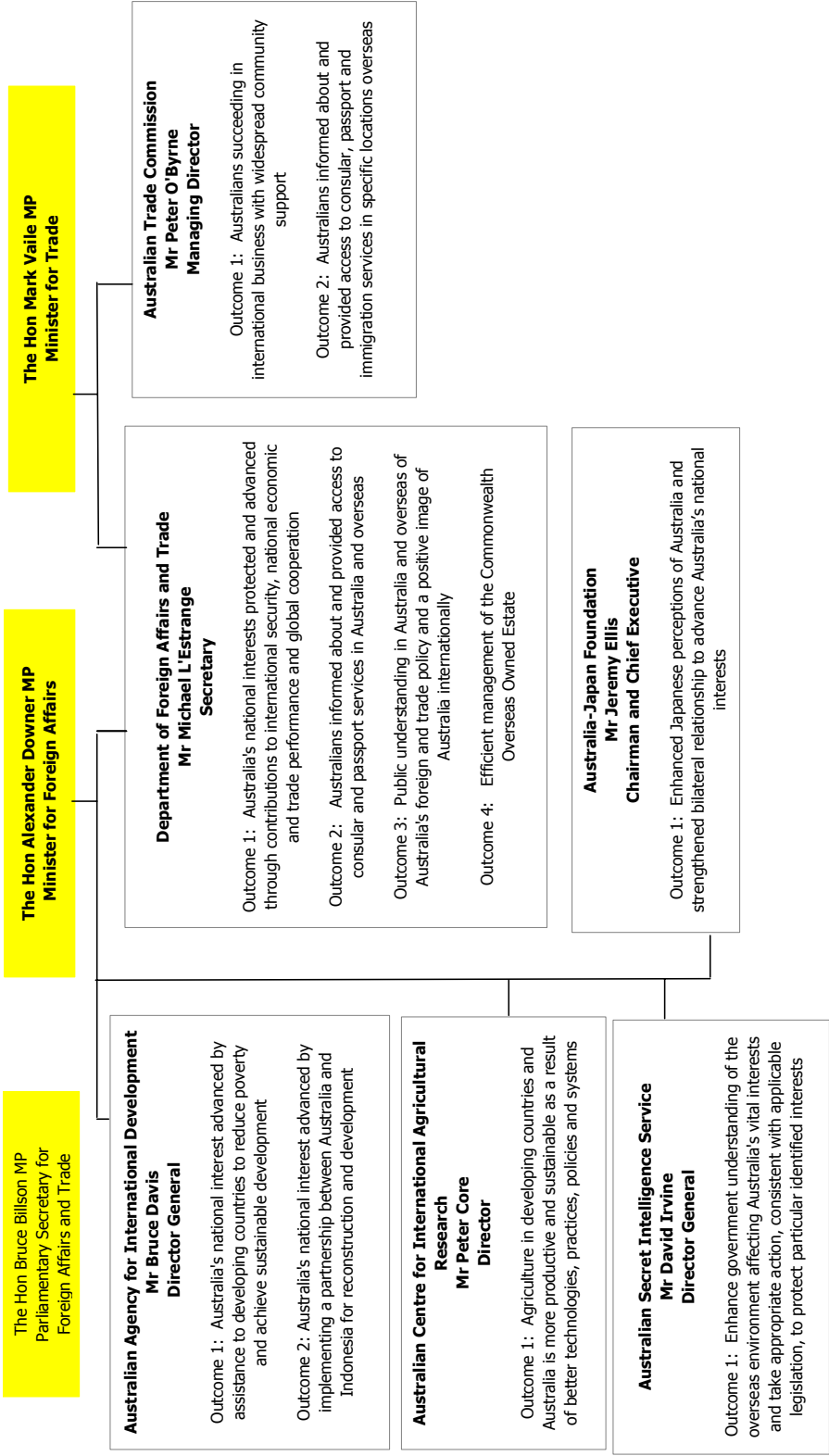


Figure 2: Departmental appropriations for agencies in the portfolio

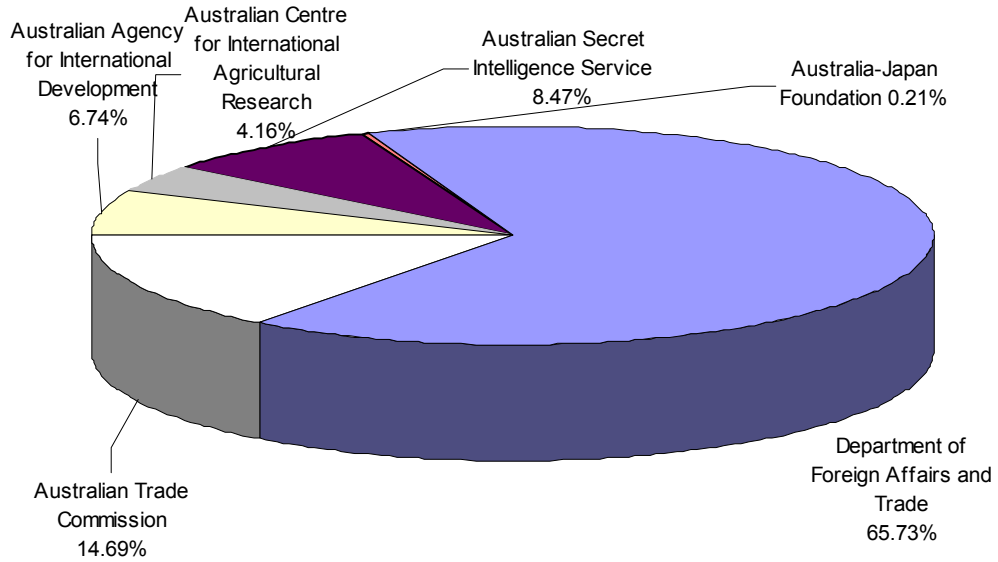
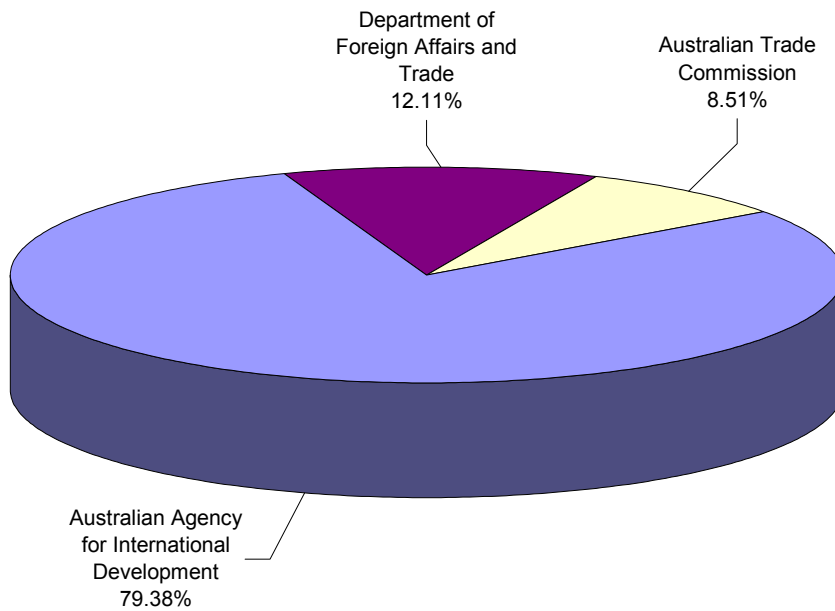


Figure 3: Administered appropriations for agencies in the portfolio



AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE) FOREIGN AFFAIRS AND TRADE PORTFOLIO

Portfolio Table 1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)	Cross Reference (G)
	Bill	Bill	Special	Total			
	No. 1	No. 2	Approp	Approp			
	\$'000 (A)	\$'000 (B)	\$'000 (C)	\$'000 (D)			
Outcome 1							
Department of Foreign Affairs and Trade							
Departmental 2005-06	211	0	0	211	0	211	
<i>Departmental 2004-05</i>	<i>248</i>	<i>0</i>	<i>0</i>	<i>248</i>	<i>0</i>	<i>248</i>	
Total Outcome 2005-06	211	0	0	211	0	211	
<i>Total Outcome 2004-05</i>	<i>248</i>	<i>0</i>	<i>0</i>	<i>248</i>	<i>0</i>	<i>248</i>	
Outcome 1							
AusAID							
Departmental 2005-06	0	0	0	0	0	0	
<i>Departmental 2004-05</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>5</i>	<i>0</i>	<i>5</i>	
Total Outcome 2005-06	0	0	0	0	0	0	
<i>Total Outcome 2004-05</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>5</i>	<i>0</i>	<i>5</i>	
Outcome 1							
Australian Trade Commission							
Departmental 2005-06	80	0	0	80	0	80	
<i>Departmental 2004-05</i>	<i>67</i>	<i>0</i>	<i>0</i>	<i>67</i>	<i>0</i>	<i>67</i>	
Total Outcome 2005-06	80	0	0	80	0	80	
<i>Total Outcome 2004-05</i>	<i>67</i>	<i>0</i>	<i>0</i>	<i>67</i>	<i>0</i>	<i>67</i>	
Total AGIE 2005-06	291	0	0	291	0	291	
<i>Total AGIE 2004-05</i>	<i>320</i>	<i>0</i>	<i>0</i>	<i>320</i>	<i>0</i>	<i>320</i>	

